

CHAPTER 4

ODOMETER REQUIREMENTS

Section 4-1

DISCLOSURE

4-1.1 Authorization. Section 233a of the *Michigan Vehicle Code* (MCL 257.233a) requires the seller to give the buyer a written odometer disclosure statement before delivery when vehicle ownership transfers, unless the vehicle is exempt from odometer requirements (see Section 4-2 for exemption criteria).

4-1.2 Record Retention. All odometer disclosure records must be kept for five years. Odometer readings are disclosed on the conforming title. A copy of the title (both front and back) must be kept in the dealer's records. For non-conforming titles, odometer disclosure is made on a separate odometer statement. In this situation, copies of both the odometer disclosure statement and the non-conforming certificate of title must be retained for five years.

4-1.3 Record Accuracy. Odometer disclosure statements must be accurate and reflect all of the information that is/was available to the dealer. Routinely marking all odometer statements as "mileage not actual" or "mileage unknown" for all vehicles is a violation of the odometer law.

NOTE: It is unlawful for the same person to sign an odometer disclosure statement on behalf of both the seller and the purchaser. A dealer is not permitted to sign an odometer disclosure statement on behalf of the purchaser. Likewise, a dealer cannot appoint a third party (appointed agent) to sign the odometer statement on behalf of the purchaser. If the purchaser cannot appear to sign the odometer statement, the purchaser may appoint a third party (not the dealer or an associate of the dealer) to sign on his/her behalf.

Section 4-2

EXEMPT VEHICLES

Odometer disclosure statements are not required for the following vehicles:

- a) A new vehicle being transferred from a manufacturer to a dealer;
- b) A vehicle with a gross vehicle weight rating (GVWR) of more than 16,000 pounds;
- c) A vehicle which is not self-propelled;
- d) A vehicle which is 10 model years old or older. Use the following formula:
current calendar year minus 10 = first model year a vehicle is exempt.

Section 4-3

CONFORMING VS. NON-CONFORMING TITLES

4-3.1 Conforming Titles. All Michigan titles issued after November 1, 1989, are conforming titles. Michigan titles issued since November 1998 are 8½ by 11 inches and have one reassignment space on the front and four reassignment spaces on the back. According to the National Highway Traffic Safety Administration (NHTSA), all states have issued conforming titles since 1994.

- a) **Definition.** A “conforming” title is one which conforms to federal and state odometer laws. It contains an odometer disclosure statement referencing the state and federal laws and a statement that failing to complete or providing false information may result in fines and/or imprisonment. Also, the title must contain space for the odometer reading to be printed on its face and a disclosure statement in each reassignment which includes space for the following items:
- 1) Odometer reading (no tenths);
 - 2) Date of transfer;
 - 3) Signatures and hand-printed names of both buyer and seller (or seller’s agent);
 - 4) Name and current address of both buyer and seller;
 - 5) Whether the mileage is actual, exceeds mechanical limits (odometer rolled over) or is not actual with a warning that the mileage is not to be relied upon.

4-3.2 Non-conforming Titles. All Michigan titles issued before November 1, 1989, are non-conforming titles.

- a) **Definition.** Non-conforming titles do not contain all of the odometer information required by state and federal law. If a dealer receives a non-conforming title, either from Michigan or another state, the dealer should complete the following:
- 1) A separate odometer disclosure statement that contains the required language; and
 - 2) The odometer disclosure on the title, even if the language is non-conforming. Dealers must not accept any conforming or non-conforming titles with an incomplete odometer statement. When an odometer statement is required, the information must be provided by the seller, not the buyer.

Section 4-4

ODOMETER STATEMENTS

4-4.1 Requirements. All odometer disclosure statements must be completed by the seller. The statement is signed by both buyer and seller, and both parties also print their names. “Print” means hand-printed in ink by the person whose signature appears – not typed, stamped, or computer-generated.

NOTE: A dealer may not sign an odometer statement as both the seller and the buyer. A dealer cannot appoint a third party to sign an odometer statement on behalf of the buyer. If the purchaser cannot appear to sign the odometer statement, the purchaser may appoint a third party (not the dealer or an associate of the dealer) to sign on his/her behalf.

4-4.2 Retail Transactions. For used vehicles, the dealer must always show the title and reassignments to the buyer before delivery of the vehicle. In a retail transaction, the buyer must inspect the title, and sign and print his/her name on the title’s odometer disclosure statement. The dealer must provide a copy of the title to the purchaser at the time the purchaser signs the title. The original documents are returned to the dealer for processing.

4-4.3 Multiple Buyers or Sellers. If there is more than one buyer or seller, the odometer disclosure statement may be signed by any of the buyers or sellers. Unless odometer disclosure is provided on a conforming title, titles must be signed by all buyers and sellers.

4-4.4 Wholesale Transactions. If odometer disclosure is made on a conforming title, the selling dealer keeps a photocopy of the title for 5 years. If the title is non-conforming, and a separate odometer disclosure statement is used, both the buying and selling dealers keep a copy of the odometer disclosure statement for 5 years.

4-4.5 Out-of-state Titles. Out-of-state titles are handled the same as Michigan titles. Odometer disclosure is made in the appropriate space provided on out-of-state titles. If all reassignment spaces are used, the Michigan dealer must surrender the out-of-state title and obtain a Michigan resale title.

NOTE: Michigan’s odometer law requires the title to be shown to the purchaser before delivery of the vehicle. Both Michigan and federal odometer laws require disclosure on the conforming title. According to Michigan law, improper odometer disclosure constitutes prima facie fraud and may result in sanctions against a dealer’s license. It is the selling dealer’s responsibility to make sure the title is present before offering a vehicle for sale at retail or wholesale.

Section 4-5

CERTIFICATES OF ORIGIN (MCO/MSO)

4-5.1 Requirement. Odometer disclosure must be made with every transfer of ownership. This includes “dealer trades” of new vehicles. The purchasing dealer must receive a separate odometer disclosure statement unless provided on the MCO.

4-5.2 Vehicle Never Titled. If a vehicle has never been titled or if an electronic MCO is used, odometer disclosure must be made on a separate document or on a conforming MCO. Unless odometer disclosure is given on the MCO, a certificate of origin does not need to be shown to the purchaser before delivery, nor is the purchaser required to sign the certificate of origin.

Section 4-6

REPLACING OR REPAIRING AN ODOMETER

4-6.1 Actual Odometer Reading Known. If the odometer is being repaired or replaced and the actual reading is known, the new or repaired odometer may be adjusted to register the actual mileage. No door frame sticker is required in this instance (see Section 4-7).

4-6.2 Unable to Register Same Mileage. When repairing or replacing an odometer incapable of registering the same mileage as before the repair or replacement, the odometer must be reset to zero. A notice is then attached to the left front door frame specifying the odometer reading before the repair or replacement and the date it was done. Thereafter, the vehicle must be sold with the mileage brand listed as “not actual.”

Section 4-7

DOOR FRAME STICKERS

Door frame stickers for odometer repair and replacement are usually provided with the replacement odometer. The sticker also may be obtained from business forms suppliers or printing companies specializing in dealer forms and supplies (see Appendix B).

Section 4-8

VEHICLES WITHOUT ODOMETERS

4-8.1 Requirements. A few vehicles have missing or non-working odometers. Dealers may sell these vehicles without repairing or installing an odometer.

4-8.2 Completing Odometer Statement. When completing the odometer disclosure statement for vehicles without odometers or with broken odometers, enter the word “NONE” and check the box “Not Actual Mileage – Warning – Odometer Discrepancy.” Dealers may include a note after the odometer discrepancy information indicating the odometer is broken or missing. When the new title is issued to the purchaser, the front of the title will not show a mileage but will carry the message “No Odometer.”

The person who subsequently repairs or replaces the odometer is required to adjust the odometer to zero, affix a notice to the left front door frame and indicate “None” or “No Odometer” on the door frame notice.

When completing an odometer disclosure statement for a vehicle with a broken odometer, enter the broken odometer's mileage reading and check the "Not Actual Mileage" box.

Section 4-9

KILOMETERS VS. MILES

4-9.1 Procedure. According to NHTSA, when selling a vehicle with an odometer that registers in kilometers instead of miles, the seller should strike the word "miles" and insert "kilometers" in the disclosure statement. Both the buyer and the seller should initial the change.

4-9.2 Applying for Michigan Resale Title. When performing a conversion on an odometer/speedometer to change the reading from kilometers to miles, or if the conversion was previously done in Canada, a Michigan dealer must apply for a Michigan resale title with the following documents accompanying the application:

- a) The Canadian ownership document showing the information listed below:
 - 1) The date of purchase.
 - 2) The odometer reading in kilometers when sold to the Michigan dealer.
 - 3) The names and addresses of both the seller and the buyer.
- b) Form TR-34, *Certification*, completed by the purchasing Michigan dealer to explain how, when, where, and who converted the odometer from kilometers to miles. This certification must list the following information:
 - 1) Exact calculations on how the mileage was determined from the reading in kilometers. The standard Federal conversion rate of 0.62 should be used;
 - 2) The current odometer reading in miles; and
 - 3) A statement that this reading represents "actual", "not actual," or "mileage in excess of mechanical limits," as appropriate.

NOTE: An ownership document (a.k.a. "permit" or "ownership") is the Canadian equivalent of a Certificate of Title. This is considered to be the same as a conforming title document from another state. The conversion information must also be recorded in the Remarks section of the RD-108.